

Fiscal Year End 2006 Payroll Reporting and Informational Update

TO: All Payroll Clerks
FROM: MPERA Fiscal Services Bureau
DATE: May 2006

With the 2006 fiscal year coming to a close, we are taking this opportunity to emphasize several points for a smooth transition into fiscal year 2007.

A. JUNE 2006 PAYROLL REPORTS

MPERA's fiscal year end processing **requires** that all June 2006 payroll reports and contributions be received in our office and be in a balanced status no later than July 10th. Reports received after July 10th **will not** be reflected on the members' annual statements.

- If you will have additional June 2006 paydays notify Shelly Pardis or Mary Popp **prior** to submitting any June reports. You will then be advised of the correct processing procedures.
- Information from amended June payroll reports **may not** be reflected on the member's annual statements.

B. CONTRIBUTION RATE CHANGES

Currently, there are no FY 2007 employee or employer contribution rate changes for any retirement system.

C. SUMMER REPORTING

Advise the MPERA if your payroll reporting frequency will change or if you will have no payroll reports for the summer months.

- Web reporters, see page 1-4-23 of the "MPERA Online Payroll Reporting Guide", for instructions on how to complete a 'No File for Report Period' or contact Mary Popp.
- Paper reporters must notify MPERA of any changes prior to the final report of the fiscal year.

DO NOT withhold **PERS** contributions from lump sum payouts of vacation, sick and compensatory leave paid without termination of employment.

D. MEMBER ADDRESSES FOR ANNUAL STATEMENTS (Do not use Membership Cards)

The Defined Benefit Retirement Plan Annual Statement for all retirement systems will be mailed to the member's home address in July. The MPERA relies on you, the employer, to

provide correct mailing addresses for your employees. If the MPERA has no member address on file, the Annual Statement will be mailed to you for forwarding.

Addresses must be updated monthly. Include name, complete mailing address and social security number.

- Web reporters may submit address changes by uploading your system-generated file or by direct input to the MPERA system.
- **Monthly validation is required of web reporters even if there are no address changes.**
- Paper reporters may submit address changes electronically or with your payroll report.

E. SEASONAL/TERMINATED EMPLOYEES

Seasonal employees must be indicated as “Seasonal” on all payroll reports. Otherwise the MPERA will distribute the account when contributions lapse.

Use the “Terminated” indicator for all terminating employees not returning to work for your agency.

- Web reporters must check the “TERM” box to the left of the employee's earnings.
- Paper reporters must write "terminated" in red above the employee's name.

F. REFUND APPLICATIONS

Photocopies of the ‘Terminated Employee Refund Application’ taken from the Employer Handbook will not be accepted. A current version of the form and instructions can be found on our website under the Publications tab/Employer Forms.

G. SOCIAL SECURITY NUMBER CORRECTIONS

Social security number errors must be corrected on your next payroll report **AND** Mary Popp must be notified. Web reporters must verify that all social security numbers are entered correctly. Incorrect social security numbers may result in multiple accounts for the member, and incorrect retirement data.

H. MEMBERSHIP CARDS AND BENEFICIARY INFORMATION

When an active employee changes their name or beneficiary, a new membership card must be completed and submitted to MPERA immediately. The new card replaces the old card. Both sides must be completed and the signature witnessed by someone other than a beneficiary. Incomplete cards will be returned and processing will be delayed.

Beneficiary Information:

- Social security numbers must be provided for all beneficiaries. If the beneficiary has no social security number, contact Dee Feddes.
- If the beneficiary is a trust, the trustee must be listed as a beneficiary and the trustee's address must be provided.

Submit membership cards to the MPERA immediately upon receipt. Changes are not effective until the card is filed with the MPERA.

I. HANDBOOKS FOR NEW EMPLOYEES

All new employees should be given the appropriate retirement system handbook. The handbooks can also be printed from the MPERA website. The latest versions of the handbooks are:

- PERS – Defined Benefits only - July 2004
 - Retirement plan choice information will be mailed to the eligible employees at their home address.
- GWPORS – June 2003
- HPORS – September 2003
- SRS – January 2006
- MPORS – February 2004
- FURS – November 2003

J. INTEREST

Effective July 1, 2006, interest credited to individual accounts in the defined benefit retirement plans, will increase from 2.2% to 3.75%.

Contact us if you have questions:

Mary Popp	Active Database Manager	(406) 444-5458	mpopp@mt.gov
Shelly Pardis	Active Database Support	(406) 444-9171	spardis@mt.gov
Dee Feddes	Membership Cards	(406) 444-5452	dfeddes@mt.gov
Doreen Charlton	Refunds	(406) 444-2953	dcharlton@mt.gov

Forms and Handbooks can be found on the MPERA website at <http://mpera.mt.gov>